

Message Text

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PAGE 01 MANILA 10139 231118Z

11

ACTION EA-14

INFO OCT-01 ISO-00 SS-20 SP-03 PM-07 L-03 H-03 PRS-01

ABF-01 OPR-02 A-01 FS-01 EB-11 DRC-01 INR-11 RSC-01

/081 W

----- 034628

R 230902Z AUG 74K

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 6301

C O N F I D E N T I A L MANILA 10139

STADIS////////////////////////////////////

WE ARE REPEATING THE FOLLOWING CINCPACREPPHIL MESSAGE
WITH REFERENCE TO OUR MANILA 9949.

FOLLOWING TEL RSENT ACTION CINCPAC INFO AMEMBASSY MANILA
R 220758Z AUG 74:

QUOTE C O N F I D E N T I A L //N07000//

FOREIGN CURRENCY ACCOMMODATION EXCHANGE ON U.S. MILITARY BASES
PHILIPPINES WITH MILITARY BANKING FACILITIES (MBFS)

A. AMEMBASSY MANILA 200844Z AUG 74

B. SECDEF 171750Z JUL 74 NOTAL

C. CINCPAC 230205Z JUL 74 NOTAL

D. CINCPACINST 7200.1F NOTAL

E. CINCPACREPPHIL 010536Z AUG 74 PASEP

F. CINCPACREPPHIL 020546Z AUG 74 PASEP

1. (C) IN AMPLIFICATION OF PARA 3 REF A THE FOLLOWING INFO IS PROVIDE
D:

A. INTERBANK GUIDING RATE (IBR) SUBSTITUTED IN FORMULA VICE
ACQUISITION RATE AS BASE COMPONENT.

COMMENT: UPON RECEIPT OF REFS B AND C ORIG DETERMINED THAT THE USE
OF THE ACQUISITION RATE, AS SPECIFIED, WOULD RESULT IN DIFFERENT
EXCHANGE ACCOMMODATION RATES TO INDIVIDUALS AND BULK SALES BETWEEN TH
E

CLARK AB AND THE SUBIC NAVAL BASE MBFS. ORIG REVEIWED AND DETERMINED
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THE USE OF THE IBR WOULD PROVIDE EACH MBF (CLARK AND SUBIC) THE

NECESSARY SPREAD TO COMPLY WITH REF B AND KEEP THE RATES AT EACH BASE THE SAME. IAW REF D THIS POLICY WAS IMPLEMENTED ON 1 AUG 74 BY REF E. ORIG MONITORS THE IBR DAILY AND WHEN A CHANGE OCCURS TO EFFECT THE PRESENT SELLING/BUYING RATES BY ONE CENTAVO A CHANGE IS ISSUED. REF F GERMANE.

B. PHILIPPINE COMMERCIAL BANKS ON BASE BE ASKED TO ADOPT THE SAME EXCHANGE RATE FOR INDIVIDUAL SALES AS USED BY THE MBFS.

COMMENT: PARA 7B, SECTION III OF THE CURRENT AGREEMENT BETWEEN THE USAF AND PRUDENTIAL BANK, CLARK BRANCH, RP STIPULATES THE FOLLOWING; QUOTE BUY AND SELL PHILIPPINE PESOS AT THE RATE ESTABLISHED BY THE AIR FORCE AT CLARK AB, RP UNQUOTE. PARA 1 C, SECTION III OF THE CURRENT AGREEMENT BETWEEN THE U.S. NAVY SUBIC BAY AND THE PRUDENTIAL BANK, SUBIC BAY NAVAL BASE BRANCH, RP INTER ALIA STIPULATES THE FOLLOWING; QUOTE ACCOMMODATION SALES OF PESO TO ALL AUTHORIZED PATRONS AT THE PREVAILING RATE OF EXCHANGE IN THE GREATER MANILA AREA UNQUOTE

. WITH REGARD TO THE SUBIC BAY AGREEMENT, IT IS NOTED THAT SINCE INCEPTION THE PRUDENTIAL BANK AND THE MBF ACCOMMODATION RATES HAVE ALWAYS BEEN THE SAME AND THIS PARTICULAR AREA HAS NEVER CREATED A PROBLEM.

C. THE EXCHANGE RATE FOR BULK SALES TO AUTHORIZED PURCHASERS BE RAISED

TO ONE-HALF OF ONE PERCENT ABOVE THE IBR.

COMMENT: REF A ADVISES THAT THE SPREAD OF TWO-TENTHS ONE PERCENT FOR BULK SALES (SPECIFIED IN REF B AND IN EFFECT AT BOTH CLARK AB AND SUBIC SINCE 1 AUG 1974 IAW REF E) IS NOT WITHIN PRESCRIBED LIMITS ESTABLISHED BY GOP MONETARY AUTHORITIES. REQUEST REVIEW AND ADVISE. GDS 80 UNQUOTE SULLIVAN

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